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1.0 Offer and Acceptance

In order to allow for an adequate evaluation, the state requires an offer in response to this solicitation to be valid and irrevocable for 120 days after the opening time and date.

2.0 Proposal Submission

Offeror is to submit their proposal with one (1) original and ten (10) copies in the format as contained in the RFP. The original copy of the proposal should be clearly labeled "ORIGINAL". The material should be in sequence and related to the RFP. The State will not provide any reimbursement for the cost of developing or presenting proposals in response to this RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal.

Proposals must be direct, concise, and complete. Any changes to the content or format of this RFP may be grounds for disqualification. All information not directly relevant to this RFP should be omitted. The State will evaluate the Offeror's Proposal based upon its clarity and the directness of its answers to the questions posed by this RFP. To assist you in the preparation of your Proposal, the State is making available an electronic version of this RFP.

2.1 Format

This RFP provides information regarding the State, its IT and telecommunications infrastructure, operations, and requirements, and functional requirements for enterprise-wide systems included in the scope of this RFP. This RFP also includes specific questions about the Offeror's proposed solution, technical qualifications and capabilities, operations, management approaches, and business strategy, in order for the State to determine the Offeror's suitability as the State's telecommunications Provider. Please respond to these questions as completely and in as much detail as possible, and focus on demonstrating the Offeror's suitability to become the State's Provider of telecommunications services.

As noted above, the State is providing you with a copy of this RFP in an electronic format. In order to facilitate the State's review of all submitted Proposals, please use such electronic version of this RFP in the preparation of your Proposal (and provide a Table of Contents, as necessary). You must submit, as separate documents in separate binders, a "Technical Proposal" and a "Business Proposal," as described in this Section. Failure to submit separate Technical and Business Proposals may result in disqualification of your Proposal.

2.2 Exceptions


Should the Offeror take exception to any of the requirements detailed in this RFP, you must provide a detailed description of which specific elements of the requirements the Offeror will meet as well as what elements the Offeror cannot or is unwilling to meet. Offerors are highly encouraged to notify the State's Contracting Officer of possible exceptions prior to the deadline set for receipt of questions and to provide a detailed explanation for any exception, including a description of the technical, financial or other issues influencing the decision to take exception to the State's requirement. Exception descriptions and explanations for any unresolved issues should be reported in the applicable requirement section and should immediately follow the State's statement of requirement. Offerors are cautioned that exceptions in the proposal may be cause for rejection of your proposal.

2.3 Required Review

Offerors should carefully review this solicitation for defects and questionable or objectionable matter. Comments concerning defects and objectionable material must be made in writing and received by the contracting officer at least ten days before the proposal opening. This will allow issuance of any necessary amendments. It will also help prevent the opening of a defective solicitation and exposure of Offeror's proposals upon which award could not be made. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the contracting officer, in writing, at least ten days before the time set for opening.

2.4 Technical Proposal

The Offeror's Technical Proposal must respond to all questions set forth in the Scope of Work section of this RFP. Your Technical Proposal must not contain any pricing information. Offeror's responses to the questions must be arranged in the sequence in which the questions are asked, with responses to questions or requests being inserted directly after the question or request. Specific answers may be cross-referenced throughout your response to avoid duplication of

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material. Additional information may be submitted to accompany the Proposal. In submitting additional information, please mark it as supplemental to the required response. If your organization wishes to propose additional services (or enhanced levels of services) or even a different business arrangement beyond the scope of this RFP, include a description of such services as a separate attachment to your Proposal.

2.4 Business Proposal

Responses to all questions contained in the Business Requirements section of this RFP must be arranged in the sequence in which the questions are asked, with responses to questions or requests being inserted directly after the question or request. Unless expressly indicated, do not include any technical information regarding the services in your organization's Business Proposal. Specific answers may be cross-referenced to avoid duplication of material. Additional information may be submitted to accompany your organization's Proposal. In submitting additional information, please mark it as supplemental to the required response. The Offeror's Business Proposal must be detailed and must cover each year of the contract term. The Business Proposal shall include a complete pricing schedule, Service Level Proposal (described in 2.5) as well as the pricing as described in 11.0.

2.5 Service Levels

The State requires that the Offeror submit for its consideration a complete and detailed description of the Service Levels that the Offeror would be prepared to execute as part of the contract. We request Service Levels that are specifically responsive to the State's requirements in every respect and detail, including full descriptions of proposed service levels and penalties for failure to meet the specified levels of performance.

The State has provided minimum acceptable service levels in Attachment J. The Service Provider shall use these minimum levels as a guide in preparing your response. The State requires your submission to contain the best service levels you can provide at reasonable cost.

3.0 Pre-Proposal Conference

Prospective Offerors are invited to attend a pre-proposal conference. The date, time and location of this conference are indicated on the cover page of this solicitation. The purpose of this conference will be to clarify the contents of this Request for Proposals in order to prevent any misunderstanding of the state's position. Any doubt as to the requirements of this Request for Proposals or any apparent omission or discrepancy should be presented to the state at this conference. The state will then determine the appropriate action necessary, if any, and issue a written amendment to the Request for Proposals. Oral statements or instructions shall not constitute an amendment to this Request for Proposals.


4.0 Evaluation

In accordance with the Arizona Procurement Code 41-2534, Competitive Sealed Proposals, awards shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

- 4.1 Conformance to requirements
- 4.2 Quality of Proposal
- 4.3 Pricing including Service Levels
- 4.4 Management approach
- 4.5 Technical approach
- 4.6 Offeror qualifications

5.0 Offeror Experience

Specify the number of years of experience your organization has had acting as a prime contractor providing telecommunications services similar to the services offered under this RFP. Describe the scope of telecommunications services that your organization has been responsible for during this period. Identify all clients that have discontinued use of your organization's telecommunications services in the past three (3) years, and provide names of individuals whom the State might contact at such clients. State whether or not within the last three years there has been any litigation or governmental or regulatory action pending or threatened against your organization that might have a bearing on your ability to provide services to the State.

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Describe your total organization, including any parent companies, subsidiaries, affiliates, and other related entities. Describe the ownership structure of your organization, including any significant or controlling equity holders. Provide an organizational chart for your overall organization showing each entity within your organization.

The resulting Contractor will manage and advise the State on the use of its carrier services contracts. Therefore, the Contractor shall be required to identify and achieve significant cost savings for the State in regard to the carrier services among multiple competing vendors. Should the Offerors hold one of these contracts, a natural conflict would occur should they be awarded any contract resulting from this solicitation.

The Contractor shall choose between offering carrier services to the State or acting as the State's Contractor under this Contract. Therefore, while any company may bid on the RFP, if the successful respondent to the RFP is also in the carrier services business (either directly or through an affiliate) it shall:

- a) modify its carrier services contract to prevent any new orders (if it is currently a contractor under the statewide carrier services contract) and
- b) refrain from bidding on any future carrier services contract with the State during the term of this Contract.

6.0 Financial Stability

Attach a copy of your organization's audited financial statement for the past three (3) years.

7.0 References

Attach five (5) customer references, at least two (2) of which should be for government clients, including:

- a. Client Name
- b. Contract Title/Contract Reference Number
- c. Primary Contact, Title and Telephone Number
- d. Contract Dates
- e. Contract Amount
- f. Type of Contract (Public/Private Sector)
- g. Length of Relationship with Client
- h. Description of innovative solutions implemented to meet customer needs

8.0 Key Personnel


Provide contact information summarizing the proposed Project Managers for all services proposed in this RFP. Contact information must include the following information:

- a. Project Manager(s) Name
- b. Proposed Responsibilities
- c. Home Number
- d. E-mail Address

Name the key individuals, along with their qualifications, experience, and the level and extent of their expected involvement that would comprise your organization's dedicated team for involvement in this RFP process. Provide an organizational chart of the reporting structures of these individuals and their staff.

State the percent of turnover of key personnel and all other staff for each of the last three (3) years in each segment of your organization that shall be responsible for performing telecommunications services within the State. Describe your organization's customary selection and replacement procedures for the project staff that will be providing the services as outlined in this RFP, including your organization's willingness to commit to State requests to maintain specific staffing assignments on key State systems.

9.0 Subcontractors

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The State requires a single Contractor to be responsible for managing all of the services outlined in your Proposal. The State expects the selected Contractor to monitor and manage the performance of all subcontractors providing telecommunication services to the State. If significant portions (over 20%) of the work in the RFP will be performed by any subcontractor, provide all information requested for the prime contractor for this significant subcontractor as well.

10.0 Project Organizational Chart

- The Project Organizational Chart should include primary contact information (name, title, address, telephone number and e-mail address), if different from the Project Manager contact list, for all subcontractors
- Explain your organization's experience in managing subcontractors.
- Cite any references to organizations similar to the State where you have managed subcontractors.
- List the company name, address, telephone number and contact information of each subcontractor proposed to provide telecommunications services.
- Identify the specific services and functional requirements that each subcontractor will provide.
- Indicate the number of years and scope of experience each subcontractor has had providing telecommunications services, particularly in implementing solutions for government, for the services that each will provide.

11.0 Pricing

Prices calculated by the Offeror shall be entered on the price sheets (SPO form 206) provided. Prices entered shall be computed using the same method referenced by the Offeror on the attachment provided. In the event of contract award, the contractor shall furnish all items, at the prices offered.

11.1 Introduction and Instructions

State requires substantial improvements in the efficiency and performance of telecommunications services. The State is pursuing opportunities for cost savings against budgets. The Offeror's Business Proposal shall demonstrate how they will ensure that the Business Proposal makes efficient use of resources to minimize the cost of the services to the State.


The State has developed a pricing methodology described in the following Sections and includes a pricing worksheet in Attachment L. In addition to the pricing methodology proposed by the State and the various features of such methodology, the Offeror may propose alternative pricing methodologies or features. As part of the Offeror's Business Proposal, complete the pricing matrices and provide detailed responses to each of the additional items set forth in this section.

11.2 Pricing Methodology

The State has developed a pricing methodology for the telecommunications services that:

- is consistent with the projected growth of users as State Agencies are brought under the contractor managed telecommunications system;
- accounts for the transformation of the State's telecommunications environment that the State expects;
- includes the State's right to change further clarify and refine its requirements;
- ensures the State will receive services that are at all times competitive in terms of quality and price; and
- does not involve "time-and-materials" or "cost plus" pricing with respect to baseline services.
- There is strong industry consensus that the best approach to evaluate the benefits of an outsourcing proposal requires that the cost of existing in-house operations and the Offeror's price for these identical operations be compared.

Offeror's statement of work shall be identical to the scope of work identified in the RFP. Where there is any variance, it must be so stated and an explanation provided that includes details highlighted in your cost proposal.

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Both the State In – house existing costs and vendor cost estimates will be based on identical standards of performance (i.e., SLAs).

Offeror proposals must meet or exceed service level standards for each of the required services. Where there is any variance an explanation must be provided outlining any cost impact.

The Offeror shall identify for each service element relevant capacity and performance metrics detailing how and when they will be measured to demonstrate compliance.

Offerors must assume that in – house State activity is efficient and cost – effective given the quality and quantity of State resources being applied to accomplish the specific requirements of each performance work statement.

11.3 Pricing of Services

In responding to this RFP the Offeror is required to complete three primary documents:

- a. Price Buildup –Exhibit C
- b. Pricing Schedule – Exhibit B
- c. Price Comparison Worksheet – Exhibit A

Prices developed in the Price Buildup document would be transferred to line 100 of the Price Schedule for a total price. The total price would also be transferred to the Price Comparison Worksheet.

The State of Arizona requires the offeror to complete the Pricing Schedule contained in Section 7.0, Pricing Schedule. In addition, the State requires the Offeror to provide information detailing the Offeror’s cost build up to arrive at the price. In the Price Buildup document, identify all appropriate cost elements such as labor, general and administrative (G&A), training, travel, etc. The Offeror shall also provide a proposed technology refresh funding level in the price. Carrier costs, maintenance costs, as well as any equipment purchased off State contracts shall be treated as a pass through to the State. The Offeror shall not add any management fees or surcharges on these bills to the State.


In completing the Pricing Schedule the Offeror shall produce pricing for several levels based on the quantity of connections indicated for each line item. The State expects the unit price to decrease as additional connections are added, with further reductions as network convergence takes place. Line Item 100 identifies the number of connections required to support the effort identified in the Statement of Work. In addition, the Offeror shall develop a proposed rate table, similar to the existing ATS rate table, to identify all rates charges to State Agencies for your service. The Offeror’s billing elements and number of billing elements may differ from those contained in the ATS table. A copy of the existing ATS rate table is in Attachment H. The rate table shall recover all costs identified in your price since there are no other appropriations associated with the State’s telecommunications expenditures. The Offeror shall receive payment for their services on a monthly basis as determined during contract negotiations.

The Offeror shall also propose hourly rates to provide consulting services for the State.

Costs associated uniquely with the transition period (moving from a State-operated system to Offeror managed services) shall be identified separately. The Offeror shall identify all proposed transition costs and propose an amortization period for cost recovery. The Offeror shall include these costs in the proposed rate schedule, showing a separate table how these transition costs affect the rates.

The State of Arizona will need to compare the cost of services proposed by the Offeror against the cost born by the State Agencies as reflected by the rate charged these users by ATS. The description of those services can be found in the Statement of Work and pricing information in Attachment L, ATS Cost Model.

The Offeror shall submit two pricing proposals. One proposal shall include prices for all services identified in the Scope of Work and the second shall identify the prices to provide just those services currently being provided by ATS as

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specified by the Statement of Work. The second pricing schedule shall reflect modifications of ATS functions and services indicated in the sections listed below. In some cases ATS functions are deleted and in others additional work is specified. The Offeror's proposal shall provide a detailed description your approach and include descriptions and pricing associated with providing each of these tasks so a cost comparison can be made and displayed in the second column of the Price Comparison Worksheet:

- a. 1.8.10 Provide Change Management
- b. 1.9.7 Provide Change Management
- c. 1.9.12 Provide Account Management Services
- d. 1.9.19 Conduct, Record and Provide Detailed Billing
- e. 1.9.22 Provide IP Address Management
- f. 1.10.1 Provide 24x7x365 Availability
- g. 1.14 Develop State Roadmap Implementation Plan
- h. 1.15 Develop Statewide Convergence Plan
- i. 1.17 Transition Period
- j. 1.18 Disaster Planning

The Offeror shall complete the Price Comparison Worksheet in Exhibit A and include as part of the proposal.

11.4 Telecommunications Services

The Offeror will be responsible for all of the State's telephony and WAN-based data services. The voice and data services will always be provided at the agreed service levels or better for those services with specified SLAs. Actual customer utilization of these services will be measured and billing based upon the monthly utilization of each specific service in use by authorized State personnel or their representatives.

The pricing should not include maintenance costs of these systems since the existing State contracts shall be used through the expiration of all maintenance contracts and these costs will be treated as a pass through.


Costs for data network services have typically have not been fully recovered, thus actual data network costs have been recovered in the past by adding additional charges to voice communications. The current system does not allow the users to make informed decisions concerning voice and data. Thus, the State shall require the Offeror to provide a method of usage-based charging.

The State requires a migration to a metered service billing structure for data services during the course of the Contract resulting from this RFP. The State requires the Offeror to present: (i) their projected total cost for providing services to the State at the same capacity and service levels currently experienced by the State (ii) the projected total cost for the same for each of line item in the Price Schedule based on growth projections, (iii) a description of the Offeror's ability to provide usage based billing, and (iv) innovative, novel, or creative methods to reach the result providing a different cost allocation mechanism. For each of the above, the complete service charges should be based upon fully loaded costs for the provision of services, including overhead etc.

In addition, the State requires the Offeror to support a fully functional payables system. The system shall support all necessary functionality required for a telecommunications services supplier.

11.5 Business Questions

- a. The State will consider a longer contract if the State will enjoy significantly lower pricing by adding the additional years. Provide alternative contract length pricing, describe the State benefits, and describe the specific differences compared to the proposed Contract length.
- b. In addition to the pricing methodology proposed by the State and the various features of such methodology, the Offeror may propose optional pricing methodologies or features. The Offeror may propose pricing that is different from the State's unit price model. Provide optional pricing proposals that adjust expenditure levels with the

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corresponding change in the Minimum Acceptable Service Levels (MASLs) or other components of the relationship to align to the Offeror's proposed price on line 100 of the Pricing Schedule and provide the State the options to select the best value. These options shall be presented in component form to facilitate an evaluation of individual changes and their related value. Describe any alternative pricing methodologies or features that the Offeror proposes.

- c. The Offeror may provide outcomes- or performance-based pricing for any elements of the services. If so, describe the methodology to be used to calculate that charge, any assumptions or models regarding the foregoing, and the amount that your organization would charge (to the extent possible, specify the components of the price that represent expenditures for the acquisition of equipment). If not, explain.
- d. Describe expected savings (in percentage) the Offeror expects to produce for the State in the provision of telecommunications services, and how the Offeror would measure such savings. Is the Offeror willing to guarantee such savings? Describe the extent of financial savings (e.g., percentage of annual budget) that the Offeror has produced for other governmental entities in the provision of telecommunications services.
- e. The Offeror shall extend telecommunications services to other governmental agencies (i.e. State, city, county political subdivisions) on the same terms under which such services are provided to the State. Describe how the unit charges would be affected by increased volumes attributed thereto.
- f. The Offeror shall propose appropriate penalties for failure to meet the State's requirements identified in the contract. Failures would extend to all parameters identified in the SLA, and shall also include the development of plans for the State. Explain, in detail, the specific penalization, or liquidated damage mechanisms the Offeror would put in place to ensure that the State's inability to receive specified services would also impact the Offeror's profitability.

12.0 Discussions

In accordance with A.R.S. 41-2534, after the initial receipt of proposals, the State reserves may conduct discussions with those Offerors who submit proposals determined by the State to be reasonably susceptible of being selected for award.

13.0 Responsibility, Responsiveness and Acceptability

In accordance with A.R.S. 41-2534(G), A.A.C. R2-7-330 and R2-7-354, State shall consider the following in determining the Offeror's responsibility as well as the responsiveness and acceptability of their proposal.


Offerors may not be considered responsible if they have been debarred from the practice of their profession that would otherwise be necessary in the provision of goods and services under any resulting contract. Offerors may not be considered responsible if they have had a contract with the State, within the last three-years, that was terminated for cause, due to breach or similar failure to comply with the terms of any such contract. Offerors may also not be considered responsible if there is factual evidence of their frequent and reoccurring failure to satisfy the terms of their agreements and contractual relationships, both with the State or other government entities. Factual evidence shall consist of any documented vendor performance reports, customer complaints and/or negative references.

Offeror's proposal may not be considered responsive and/or acceptable if it does not contain information sufficient to evaluate the proposal in accordance with the factors identified in the solicitation or other necessary proposal components. Necessary components include: an indication of the Offeror's intent to be bound, price proposal, solicitation amendments, bond and reference data as required

14.0 Site Walk-Thru

Immediately following the Pre-Proposal Conference, the Offerors will be taken on a tour of the ATS facilities. The Offerors will be given the opportunity to carefully examine the entire site of the task and to make all necessary investigations to inform themselves thoroughly as to the facilities available as well as to all the difficulties involved in the completion of all work in accordance with the specifications attached hereto.

In the event the Offeror is awarded a contract, no plea of ignorance of conditions that exist, or may hereafter exist, or of difficulties that may be encountered in the execution of the task under the contract will be accepted as an excuse for any failure or omission on the part of the contractor to fulfill in every detail all of the requirements of the contract, nor accepted as a basis for any claims for extra compensation.

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A written record will be kept of those Offerors who inspected the facilities.

15.0 Electronic Documents

The State of Arizona may provide an electronic version of this procurement document. Any unidentified alteration or modification to the original document (or to any Exhibit contained therein) issued by the State shall be null and void. In those instances where modifications are identified, the original document issued by the State shall take precedence. As provided in the Uniform Instructions to Offerors, Section 3.D., the recipient of any electronic document is responsible for clearly identifying any and all changes or modifications to a document upon submission to the State. An original document is on file with the Arizona State Procurement Office.

16.0 Liquidated Damages (as Stated)

Liquidated damages shall be in the amount of \$ _____ for _____. The amount of liquidated damages shall be determined through contract negotiations prior to contract award.

If the contract is not terminated, the contractor shall continue performance and be liable to the state for the liquidated damages until the products are delivered or the services performed. In the event the state exercises its right of termination, the contractor shall be liable to the state for any excess costs, and in addition, for liquidated damages until such time the state may reasonably obtain delivery or performance of similar supplies or services.

17.0 Stipulated Penalties

Stipulated penalties for specific work the Contractor fails to perform against the Statement of Work within the RFP shall be determined through negotiations prior to contract award.